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SUMMARY RECORD OF THE 5th MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 120: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued)

AGENDA ITEM 119: PATTERN OF CONFERENCES (continued)

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

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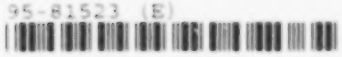

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The meeting was called to order at 10.15 a.m.

AGENDA ITEM 120: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/49/897; A/50/11)

1. Mr. MARUYAMA (Japan) said that the findings and recommendations of the Committee on Contributions and of the Ad Hoc Intergovernmental Working Group on the Implementation of the Principle of Capacity to Pay, as contained in their respective reports (A/50/11 and A/49/897), would greatly assist Member States in their efforts to reach agreement on an equitable system of sharing the financial burden of the United Nations.

2. Japan regretted, however, that the Committee on Contributions had so far been unable to complete the review, called for in General Assembly resolution 48/223 C, of all aspects of the scale methodology and hoped that it would draw up specific recommendations on the issue as soon as possible.

3. While it similarly regretted the inability of the High-level Open-ended Working Group on the Financial Situation of the United Nations to formulate specific recommendations for the reform of the scale methodology, his delegation continued to attach great importance to the work of that body and hoped that it would reach a comprehensive solution, which would include measures to ensure full and timely payments of assessed contributions by all Member States, along with a new methodology for determining the scale of assessments; a review of the scale methodology for both the regular budget and peace-keeping operations; and consideration of all the factors involved in the scale methodology. His delegation believed that the objective should be the formulation of a fair and equitable system for sharing the financial burden among all Member States, rather than a partial package of measures.

AGENDA ITEM 119: PATTERN OF CONFERENCES (continued) (A/50/32, A/50/263 and Add.1, A/50/288 and A/50/404)

4. Mr. MUÑOZ (Spain), speaking on behalf of the European Union, said that Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania and Slovakia also wished to associate themselves with his statement. The European Union commended the efforts made by the Committee on Conferences towards ensuring the effective utilization of available resources. It believed that its role should be further strengthened, especially in view of the financial crisis facing the Organization, and that it should make specific proposals for the optimization of resources.

5. With regard to the calendar of conferences and meetings for the biennium 1996-1997, the European Union supported the recommendation contained in paragraph 10 of the report of the Committee on Conferences (A/50/32). It was, however, concerned by the increase in the number of meetings and by the proliferation of conferences.

6. As for the level of utilization of conference services, it was concerned by the general decline in utilization by a growing number of bodies, including the Main Committees of the General Assembly, to a level below the established

benchmark figure of 80 per cent. The European Union strongly supported the request by the Committee on Conferences that the Secretariat should refine the methodology for calculating utilization factors and develop a cost-accounting system for conference services, and it suggested that an analysis should be made of any overcapacity in those services.

7. As far as translation-related costs were concerned, a sound cost-accounting system should be followed, to ensure that the most effective system was adopted. In any comparison of translation systems, however, the importance of quality should be taken into account and, in that context, the European Union supported the recommendations in paragraphs 43 to 52 of the report.

8. With regard to the provisional calendar of conferences and meetings of the subsidiary bodies of the Economic and Social Council for 1996-1997, the European Union supported the recommendation contained in paragraph 59 of the report. It believed that more time was needed to study the proposal on biennialization.

9. Efforts should be made to reduce documentation and Member States should endeavour to keep their statements as brief as possible. The European Union supported the recommendations contained in paragraphs 72 to 74 of the report and welcomed the decisions taken by the Committee on the Peaceful Uses of Outer Space and the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples to replace their verbatim records by, respectively, unedited transcripts and summary records.

10. The European Union reserved the right to express its views on the proposed programme budget for the biennium 1996-1997 relating to conference services during the second reading of the proposed programme budget. It hoped that the budget would cover the expected demand for conference services.

11. The European Union welcomed the introduction of new technologies in conference services, in particular, the use of remote translation, which had been successfully employed at the Fourth World Conference on Women, held in Beijing. At the same time, it reaffirmed the principle of the equality of official languages and the need to ensure the necessary resources for the simultaneous and timely translation of documents. In that context, the European Union welcomed the inclusion of agenda item 156, "Multilingualism", in the agenda of the fiftieth session.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued) (A/50/6 (vol. I and II), A/50/7 and A/50/16)

12. Mrs. ROHANI (Malaysia) said that her delegation fully supported the statement made at the previous meeting by the representative of the Philippines on behalf of the Group of 77 and China.

13. Her delegation shared the Secretary-General's concerns about the precarious financial situation of the United Nations and the large amounts still owed by Member States. As a major troop-contributing country, which had consistently paid its assessed contributions to both the regular budget and the peace-keeping budget, in full and on time, Malaysia was particularly concerned by the decision

to resort to borrowing from the peace-keeping budget and hoped that that would be only an interim measure. Failure to reimburse troop contributors, especially the developing countries among them, was bound to have an adverse impact on their continued participation in peace-keeping operations.

14. Commending the Secretariat on the early completion and submission of the budget proposal, her delegation welcomed the prudent measures taken by the Secretariat to reduce spending. The abolition of 201 posts and the creation of 66 posts for new activities mandated by the General Assembly was a welcome development, but decreases in staff should not be used as a pretext for the hiring of consultants. While the cuts and the introduction of new technology were welcome, further efforts were needed to reduce administrative and staff costs.

15. Her delegation believed that the priority areas set out in the medium-term plan for 1992-1997, should be maintained, namely, the economic development of developing countries, the economic recovery and development of Africa, the environment, and international drug control, and it supported the view of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that any changes in priorities should have the endorsement of Member States, through the General Assembly.

16. Her delegation was particularly concerned about the decline in the overall projected level of resources for international economic development in the proposed programme budget for 1996-1997. Adequate resources were needed to ensure the full implementation of the programmes of action adopted at the various international conferences held in recent years.

17. In his recent address to the General Assembly, the Malaysian Prime Minister had deplored the failure of some rich Member States to pay their assessed contributions while continuing to exercise influence on the Organization, and had urged that new bases for assessment should be identified.

18. Finally, while her delegation understood the need to increase the capacity of the Office of Internal Oversight Services, it believed that that Office, as a non-substantive activity, should not be treated as a priority area.

19. Mr. RODRIGUEZ PARRILLA (Cuba) said that his delegation fully supported the statement made by the representative of the Philippines on behalf of the Group of 77 and China at the previous meeting. Cuba was very concerned by the precarious financial situation of the Organization, which undermined its ability to perform its functions as mandated by the Charter and by the resolutions adopted by the Member States. Like most developing countries, Cuba was unable to meet its financial obligations in full and on time, but it remained committed to the purposes of the Organization and reaffirmed its political will to continue to contribute towards finding a solution to the financial crisis of the United Nations. That crisis could not, however, be attributed mainly to delays by the developing countries in paying their assessed contributions; it was caused by the withholding of payment by the major contributor.

20. Commending the Secretariat on the timely submission of the proposed programme budget, he expressed his delegation's concern that only one group of

specialized agencies had participated in the analysis of the various sections of the budget. He suggested that the Secretariat should take steps to ensure that in future budgetary exercises the competent intergovernmental bodies should have an opportunity to discuss the proposals in detail. In addition, he reiterated the view of the Group of 77 that the proposed budget should be fully consistent with the priorities established in the medium-term plan for 1992-1997, as approved by the General Assembly in resolutions 45/253 and 47/214. He regretted that neither those decisions, nor resolution 41/213, had been respected and that the relevant debates in the Committee for Programme and Coordination (CPC) and the Fifth Committee had been ignored. His delegation could not accept the setting of new priorities without the agreement of Member States; that would set a dangerous precedent.

21. Those negative factors called into question the validity of the budgetary process followed for almost a decade and underlined the need for a detailed examination and the adoption of corrective measures by the General Assembly. Such measures would have little effect, however, unless Member States entered the negotiations in good faith and with real political will and respected the principle of the equality of all Member States set forth in the Charter. To that end, the Secretariat should fully respect the prerogatives of the General Assembly and of the Secretary-General as its chief administrative officer as stated in the Charter.

22. The irregularities reflected in the budget must be corrected in the resolution adopted at the current session. The budget for the next biennium must reflect the priorities mandated by the General Assembly and must provide for an equitable allocation of resources, including extrabudgetary funding.

23. His delegation could not accept the disproportionate level of resources proposed for internal oversight activities, which had been converted into a priority despite the absence of any decision by Member States. While oversight functions were important, they were not on a par with activities related to the attainment of the purposes and principles of the Charter. Oversight was merely a tool to ensure the rational use of resources. Moreover, the level of resources proposed for internal oversight did not take into account the General Assembly's decision to strengthen external oversight machinery, an omission which must be made good. It would be useful to hear the views of the external organs concerned regarding their budgetary needs.

24. The level of resources presented in the proposed programme budget did not appear to reflect the priorities established by the General Assembly. The grouping in the same part of the budget of sections relating to economic development, the environment, drugs, and the economic recovery of Africa, each of which had been recognized as a separate priority, might well have a negative impact on future decisions of the General Assembly. The Secretariat should provide a conference room paper indicating the level of resources proposed for the various sections of the proposed programme budget reflecting the priorities established by the General Assembly.

25. While his delegation welcomed efforts to promote efficiency and cost-effectiveness, the overriding consideration in the proposed programme budget must be the discharge of legislative mandates; that must not be affected by

efforts to achieve savings. Accordingly, a reduction in the size of the budget must not be an end in itself but a reflection of improved utilization of resources.

26. In that context, his delegation agreed with the views expressed by the Advisory Committee (A/50/7, paras. 46 and 47) on the second and third phases of the Secretary-General's measures to enhance efficiency. The changes which would result must receive the prior approval of the General Assembly and be considered under the item on the review of the efficiency of the administrative and financial functioning of the United Nations. A report should be prepared analysing their impact on programme implementation.

27. The budget estimates must include calculations relating to rates of exchange and inflation. In that connection, he endorsed the view expressed by the Chairman of the Advisory Committee that the Secretary-General's proposals were fully consonant with paragraph 10 of the annex to General Assembly resolution 41/213. It would be unacceptable to reconcile the differences between States regarding recosting for inflation and exchange rates by seeking to adjust the level of the budget.

28. The staffing table proposed for 1996-1997 reflected a net reduction of 109 posts. The implementation of the staff reductions must fully respect the principle of equitable geographical distribution, both overall and within departments.

29. He endorsed the views of the Advisory Committee on the contingency fund (A/50/7, para. 120), and looked forward to the report of the Secretary-General called for in General Assembly resolution 49/217. He trusted that the contingency fund would be used for the purpose for which it had been established.

30. The General Assembly must further consider the question of activities relating to international peace and security which had been financed as extraordinary or unforeseen expenditure, in view of the fact that some of those activities had become ongoing without proper provision having been made in the budget estimates.

31. In view of the difficult financial situation, there was an unprecedented need for cooperation and political will to enable the Organization to adopt a budget which corresponded to the interests of the 185 Member States and fully reflected the decisions of the General Assembly.

32. Mr. OWADE (Kenya) expressed appreciation for the timely presentation of the budget and its improved format. The role of the United Nations, as the only universal body responsible for maintaining international peace and security, achieving economic, social and cultural progress, and promoting respect for human rights, could not be overemphasized. The budget process was an important element in the attainment of the Organization's objectives. It was therefore regrettable that the current financial difficulties had arisen largely as a result of the failure of Member States to honour their Charter obligation to pay their assessed contributions in full, on time and without conditions. While he welcomed the restructuring and efforts to do more with less, such initiatives

could not be meaningful without adequate financial resources. In that regard, he said that Kenya had recently paid all its outstanding contributions to the regular budget.

33. With regard to the four priority areas in the medium-term plan period identified by the Secretary-General, it was imperative that any savings realized from restructuring should be redirected to development activities. It was vital that the programme budget should accord priority to the economic development of developing countries, the economic recovery and development of Africa, environmental protection, and drug control. His delegation also attached great importance to the promotion and protection of human rights. Resources allocated to such activities should include technical assistance for developing countries to enable them to strengthen their human rights institutions and to realize their right to development.

34. With regard to peace-keeping, more resources should be devoted to preventive diplomacy and peacemaking. It was regrettable that the bulk of the Organization's resources over the last biennium had been directed towards peace-keeping at the expense of development.

35. His delegation agreed that internal oversight functions were not in themselves a priority area, but, rather, a means of achieving the Organization's priorities.

36. He looked forward to the finalization of arrangements for the United Nations Office at Nairobi, and noted the negative resource growth in respect of administration services in Nairobi. Any savings realized from the proposed arrangements should be used to strengthen programmes in Nairobi. In that regard, his delegation was concerned that the budget submission for Nairobi reflected a reduction of $784,900.

37. Mr. CHINVANNO (Thailand) commended the Secretary-General on the timely submission of the proposed programme budget for the biennium 1996-1997 and the Secretariat on the improved format of the budget document. His delegation noted the attempt to do more with less, and welcomed efforts to improve efficiency. Such initiatives would continue to yield benefits. Further savings could be achieved through the rationalization of work programmes and reductions in general operating expenses. Care must be taken, however, to ensure that sufficient resources were available to cover all mandates entrusted to the Organization. It was essential to achieve consensus in efforts to eliminate overlapping activities, since activities which were of little value to some delegations might be of great value to others. While his delegation supported the overall priorities set in the proposed programme budget, it was concerned at the decrease in the level of resources proposed for activities of importance to developing countries. Each priority area must receive equal attention and equitable resources.

38. Member States must ensure that the Organization received adequate financial resources. There was an urgent need to resolve the financial crisis, which threatened the effectiveness of the Organization as a whole. Essentially, the problem was caused by the late payment of assessed contributions, on the one hand, and the dramatic growth in peace-keeping operations on the other.

39. His Government, as one of those which had fully met its financial obligations, found it unacceptable for the majority of Members to approve programmes, appropriations and assessments without honouring their obligations. The United Nations could only be as effective as Member States allowed it to be. It was inconceivable that it should be denied the funds it needed to carry out its functions.

40. Mr. AYADI (Algeria) said that his delegation fully appreciated the perseverance of the Secretary-General in seeking to improve the effectiveness of the Organization in the attainment of Charter objectives. The budget constituted the legal instrument by which Member States determined the resources needed for the implementation of the mandates entrusted to the Organization. Special attention and cooperation were therefore required if the consensus needed for decision-making on budgetary matters was to emerge.

41. His delegation agreed that control of expenditure was essential, provided that it did not affect mandates or programme implementation, which could not be sacrificed on the altar of management. The programming of economic cooperation activities must continue in accordance with the medium-term plan, which remained the Organization's principal policy directive. In that context the inclusion of internal oversight as a priority activity seemed questionable.

42. Moreover, the budget proposals did not equitably reflect the concerns of the General Assembly with regard to development activities. In particular, Africa was accorded attention which fell far short of its immense needs; a careful analysis of the proposals relating to that continent revealed an absence of adequate programming and coordination. Activities to promote the development of Africa must be given priority, programmes must be action-oriented and additional resources must be made available for programme implementation.

43. In more general terms, additional resources would also be required for the new mandates adopted by Member States. For example, the Secretary-General would require resources to discharge the new mandates resulting from the adoption of the Declaration on Measures to Eliminate International Terrorism.

44. At a time when the needs of the international community were growing in scope and complexity, continued adherence to the policy of negative growth was cause for concern. The United Nations was faced with increased responsibilities but was not being accorded additional resources. The impact on programme delivery was not yet apparent. In the meantime, the Organization must rationalize without imperilling programmes. Possible measures to that end might include a reduction in the number of General Service posts at Headquarters, and a reassessment of the status of permanent consultants.

45. In the Organization's difficult financial situation there was certainly scope for further rationalization. Such a policy was no substitute, however, for the guaranteed provision of sure, predictable and available resources commensurate with the increasing responsibilities of the United Nations. The answer lay in the full and timely payment of assessed contributions, without conditions, by all Member States.

The meeting rose at 11.35 a.m.